

Senate Bill No. 932

CHAPTER 65

An act to add Section 5917.5 to the Corporations Code, relating to corporations.

[Approved by Governor July 14, 2003. Filed with
Secretary of State July 14, 2003.]

LEGISLATIVE COUNSEL'S DIGEST

SB 932, Bowen. Nonprofit corporations: health facilities.

Existing law requires a nonprofit corporation that operates a health facility to notify and obtain consent from the Attorney General prior to entering into an agreement or transaction to sell or otherwise dispose of its assets or to transfer control of a material amount of its assets to a for-profit corporation, another nonprofit corporation, or various other entities.

This bill would prohibit the Attorney General from consenting to a health facility agreement or transaction under these provisions if the seller restricts the type or level of medical services that may be provided at the health facility.

The people of the State of California do enact as follows:

SECTION 1. Section 5917.5 is added to the Corporations Code, to read:

5917.5. The Attorney General shall not consent to a health facility agreement or transaction pursuant to Section 5914 or Section 5920 in which the seller restricts the type or level of medical services that may be provided at the health facility that is the subject of the agreement or transaction.

